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HOUSE BILL 872

**47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005**

INTRODUCED BY

Miguel P. Garcia

AN ACT

RELATING TO TAXATION; PROVIDING FOR INCOME AND CORPORATE INCOME  
TAX CREDITS FOR COSTS PAID BY TAXPAYERS FOR INSTALLATION OF  
STAGE II VAPOR RECOVERY SYSTEMS AT GASOLINE DISPENSING STATIONS  
OWNED BY THOSE TAXPAYERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted  
to read:

"[NEW MATERIAL] CREDIT--STAGE II VAPOR RECOVERY SYSTEM  
INSTALLATION COSTS.--

A. A taxpayer who files an individual New Mexico  
income tax return may claim a credit in an amount equal to the  
costs, including labor and equipment costs, paid by the  
taxpayer for installation of a functioning stage II vapor  
recovery system at a gasoline dispensing station owned by the

underscored material = new  
[bracketed material] = delete

1 taxpayer.

2 B. The tax credit provided in this section may only  
3 be deducted from the taxpayer's income tax liability for the  
4 taxable year.

5 C. A husband and wife who file separate returns for  
6 a taxable year in which they could have filed a joint return  
7 may each claim only one-half of the credit that would have been  
8 allowed on a joint return.

9 D. A taxpayer who otherwise qualifies and claims a  
10 tax credit pursuant to this section for costs paid by a  
11 partnership or other business association of which the taxpayer  
12 is a member may claim a credit only in proportion to the  
13 taxpayer's interest in the partnership or association.

14 E. As used in this section:

15 (1) "gasoline dispensing station" means a site  
16 where gasoline is dispensed to a motor vehicle gasoline tank  
17 from a stationary storage tank; and

18 (2) "stage II vapor recovery system" means a  
19 system that captures and transfers at minimum ninety-five  
20 percent by weight of gasoline vapors that are generated during  
21 motor vehicle refueling into a gasoline dispensing facility's  
22 stationary tanks."

23 Section 2. A new section of the Corporate Income and  
24 Franchise Tax Act is enacted to read:

25 "[NEW MATERIAL] CREDIT--STAGE II VAPOR RECOVERY SYSTEM

.155437.1

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INSTALLATION COSTS.--

A. A taxpayer that files a New Mexico corporate income tax return may claim a credit in an amount equal to the costs, including labor and equipment costs, paid by the taxpayer for installation of a functioning stage II vapor recovery system at a gasoline dispensing station owned by the taxpayer.

B. The tax credit provided in this section may only be deducted from the taxpayer's corporate income tax liability for the taxable year.

C. As used in this section:

(1) "gasoline dispensing station" means a site where gasoline is dispensed to a motor vehicle gasoline tank from a stationary storage tank; and

(2) "stage II vapor recovery system" means a system that captures and transfers at minimum ninety-five percent by weight of gasoline vapors that are generated during motor vehicle refueling into a gasoline dispensing facility's stationary tanks."

Section 3. APPLICABILITY.--The provisions of this act apply to taxable years beginning on or after January 1, 2005.